

October 1, 2010

Dear City of Cincinnati Retirement System Pensioner,

The purpose of this letter is three fold. It is meant to introduce a **Healthcare Eligibility Form** that is required to be completed by all CRS retirees. It also communicates some changes in dependent healthcare eligibility rules that may impact a very small group of members. Lastly, it addresses the impact of recent Federal and State of Ohio healthcare legislation on CRS.

HEALTHCARE ELIGIBILITY FORM

CRS is taking steps to ensure our records are up to date for each of our members. These efforts will help us make sure that our recordkeeping system and healthcare administrators have all the necessary and correct information to administer CRS benefits correctly and appropriately. This information will also help CRS determine if our members who are eligible for Medicare are appropriately enrolled and taking advantage of these benefits. Medicare currently offers certain programs that reimburse employers for a portion of their retiree healthcare claims cost. And the more complete and correct our records are, the more opportunity we have to maximize these reimbursements and help strengthen the CRS healthcare trust balance sheet.

Everyone who receives this mailing is asked to complete and return (in the enclosed Business Reply envelope) the enclosed **Healthcare Eligibility Form** along with the applicable requested documents. Please refer to the back of the form for instructions on completing the form. **Please return the completed forms and applicable documentation to our office by October 31, 2010.**

CHANGES IN DEPENDENT HEALTHCARE ELIGIBILITY RULES

Earlier this year, Cincinnati City Council adopted Ordinance #175-2010 to make CRS rules consistent with Federal tax law. A small number of spouses and dependents may be impacted by these changes. Those affected, will be required to pay 100% of the healthcare premium **IF** they choose to continue healthcare coverage with CRS beginning January 1, 2011. Please refer to the enclosed communication for more details. Current healthcare coverage for those affected will continue through December 31, 2010. If you are interested in purchasing coverage for affected eligible family members, please call CRS by October 31, 2010.

RECENT FEDERAL AND STATE OF OHIO HEALTHCARE LEGISLATION

Recent Federal and State of Ohio legislation extends access to healthcare coverage for certain adult children. The City Solicitor has determined that the Cincinnati Retirement System is not subject to the provisions of these new laws.

The economic challenges of today have impacted all of us in many ways. As we look forward, it remains the duty of CRS and the Board of Trustees to handle our responsibilities with the utmost integrity, to ensure that benefits are administered timely and correctly, and to seek opportunities to operate in the most efficient manner. Smaller budgets and staff are becoming the norm even though the pace and complexity of change continues to increase. With that said, CRS staff strives each day to provide the highest level of customer service to its 7700+ members.

Thank you.

The Cincinnati Retirement System

Enclosures: Healthcare Eligibility Form

Change in Dependent Healthcare Eligibility Rules

Business Reply envelope

**CHANGE IN DEPENDENT HEALTHCARE
ELIGIBILITY RULES FOR CINCINNATI
RETIREMENT SYSTEM (CRS) RETIREES**
(Effective January 1, 2011)

In May 2010, Cincinnati City Council adopted Ordinance #175-2010 changing the healthcare eligibility rules for certain dependents and spouses of retirees. Certain individuals will be required to pay the full premium cost for healthcare coverage if they choose to continue coverage effective January 1, 2011.

The following individuals are **NOT AFFECTED** by this change:

- A retiree's legally married spouse **MARRIED PRIOR TO THE RETIREE'S RETIREMENT DATE;**

- A retiree's biological or legally adopted children **BORN OR ADOPTED PRIOR TO THE RETIREE'S RETIREMENT DATE** who are under 19 years of age; or who are under 24 years of age, unmarried and are full time students (at least 7 months a year) at an accredited school;
- A retiree's biological or adopted children **BORN OR ADOPTED PRIOR TO THE RETIREE'S RETIREMENT DATE** who are permanently and totally disabled, as defined by the U.S. Social Security Administration, and who were **DESIGNATED AS DISABLED PRIOR TO ATTAINING 19 YEARS OF AGE** and who live in the retiree's household.

The following individuals **ARE AFFECTED** and may purchase CRS healthcare coverage by paying 100% of the monthly insurance premium:

- A retiree's legally married spouse **MARRIED ON OR AFTER THE RETIREE'S RETIREMENT DATE**;
- A retiree's biological children OR legally adopted children, **BORN OR ADOPTED ON OR AFTER THE RETIREE'S RETIREMENT DATE**. Eligible children must live in the retiree's household and claimed by the retiree as dependents for Federal income tax purposes for the most recently completed tax year and meet one of the criteria below:
 1. Less than 19 years of age, OR
 2. Less than 24 years of age, unmarried, and a full time student (at least 7 months a year) at an accredited school, OR
 3. Permanently and totally disabled (as defined by the U.S. Social Security Administration), and designated as disabled prior to attaining 19 years of age.
- One minor grandchild legally claimed by the retiree as a dependent for Federal income tax purposes for the most recently completed tax year, **PROVIDED THAT THE GRANDCHILD IS BORN TO AN UNMARRIED, UN-EMANCIPATED MINOR CHILD OF THE RETIREE. Coverage ends for the grandchild when the minor reaches age 18.**

These changes in eligibility rules apply to all CRS retirees. Refer to the Frequently Asked Questions on the back for more information and details about purchasing coverage.

FREQUENTLY ANSWERED QUESTIONS

What do I need to do if my spouse and dependents are NOT AFFECTED by this change?

If you are not impacted by this change, you are still required to complete and submit the Healthcare Eligibility Form and any associated documents by October 31, 2010.

What if my spouse and/or dependents ARE AFFECTED by this change?

If you are impacted by this change and want to purchase coverage for your affected spouse and/or dependents beginning January 1, 2011, you must contact CRS at 513-352-3227.

You must contact CRS by October 31, 2010.

Whether or not you choose to purchase coverage, you are required to complete and submit the Healthcare Eligibility Form and any associated documents by October 31, 2010.

How much will this coverage cost?

The cost for affected spouses who are 65 years of age or older is: \$585 per month The cost for affected spouses who are under 65 years of age is: \$1,012 per month The cost for each affected dependent is: \$232 per month.

How do I purchase coverage?

If you choose to purchase healthcare coverage for certain affected family members, the monthly insurance premiums will be deducted each month from the CRS pension benefit check. For example, if the purchased coverage begins January 1, 2011, the monthly premiums will be deducted from the February 1, 2011 pension check. Payment of healthcare premiums through payroll deduction helps ensure no lapse in coverage occurs due to late or missing payments.

What happens if a family member does not meet any of the definitions of dependent?

These family members will not be eligible for healthcare coverage from CRS effective January 1, 2011.

Is CRS impacted by recent Federal and State of Ohio healthcare initiatives that expand the definitions of dependent children for healthcare coverage purposes?

No. CRS is not subject to recent legislation that extends access to healthcare coverage for

certain adult children.

Why were the eligibility rules for certain dependents changed?

These changes were primarily made to make CRS rules consistent with Federal tax law. The changes in eligibility requirements apply to all CRS retirees.

[Dependent Healthcare Eligibility Form](#)